



COUNTY OF SUMMIT
THE HIGH POINT OF OHIO

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**COUNTY OF SUMMIT
2022 BUDGETARY POLICY
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CHARTER OF SUMMIT COUNTY, OHIO
Relevant Sections pertaining to County Budget

EDITOR'S NOTE: The Summit County Charter was originally adopted by the voters at an election on November 6, 1979. Dates in parentheses following a section heading indicate that such section was amended or adopted on the date given.

SECTION 2.03 POWERS AND DUTIES OF THE COUNTY EXECUTIVE

The County Executive shall have all the powers and duties of an administrative nature under this Charter and responsibility for the day-to-day running of the departments, offices and agencies of County government under his or her jurisdiction and control. Such powers and duties include, but are not limited to, the following:

(Amended 11-8-05.)

- 1) To appoint, suspend, discipline and remove all county personnel except those who, as provided by general law, are under the jurisdiction of officers, boards, agencies, commissions and authorities of a county other than the board of county commissioners, and except those who are appointed by the County Council pursuant to Section 3.03(l) of this Charter.

(Amended 11-5-91.)

- 2) To appoint officers and members of boards, agencies, commissions and authorities required by general law to be appointed by boards of county commissioners and of such additional boards, commissions, agencies and authorities as may hereafter be created pursuant to this Charter. No such appointment shall be effective until confirmed by the County Council, but if the County Council shall fail to act on an appointment within sixty days, it shall become effective without such approval. The County Executive shall use good faith efforts to reflect the diversity of the people of the County in appointing such officers and members.

(Amended 11-4-97.)

- 3) To approve or veto any ordinance or resolution as provided in Section 3.04 of this Charter.
- 4) To serve, in person or by his delegate, as a member of the County Board of Revision.
- 5) To execute contracts, conveyances and evidences of indebtedness on behalf of the County.
- 6) To attend meetings of the County Council and take part in the discussion of all matters before County Council.
- 7) To introduce ordinances and resolutions for consideration by the County Council and otherwise to make recommendations for actions to be taken by the County.

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- 8) To submit to the County Council a proposed operating budget for each fiscal year which shall contain at least the following:
 - a. A statement of estimated revenues from all sources, including fund balances from the preceding year;
 - b. A statement of proposed expenditures, shown by department, office, agency, authority, board and commission, and by activity, character and object and not exceeding estimated revenues for such year;
 - c. A schedule of estimated revenues and proposed expenditures for each County department, office, agency, authority, board and commission, on a quarterly or more frequent basis; and
 - d. A summary of the contents of the proposed operating budget.
- 9) To submit annually to the County Council a capital improvements program which shall contain at least the following:
 - a. The capital improvements scheduled for, or proposed to be undertaken within, the current fiscal year, together with the estimated cost of each improvement and the proposed or established method of financing;
 - b. The capital improvements proposed for the five years next succeeding the current fiscal year, together with the estimated cost of each improvement and the proposed or established method of financing; and
 - c. A summary of the detailed contents of the program.
 - d. A five year debt management projection for capital improvements.
(Added (d) 11-5-91.)
- 10) To submit a written message to the County Council accompanying the proposed operating budget and capital improvements program explaining the budget both in fiscal terms and in terms of work to be done, outlining the proposed financial policies of the County for the current fiscal year and describing the important features of the budget. The message shall include any proposals for major changes in financial policies and in expenditures, appropriations and revenues as compared with the preceding fiscal year and the reasons for such proposals, and an itemization and explanation of each proposed capital improvement.

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The operating budget and capital improvements program and accompanying message shall be submitted to the County Council by February 15 of each year.

- 11) To conduct collective bargaining regarding uniform wages and compensatory benefits with any recognized employee bargaining unit and administer uniform personnel procedures for all County employees of the County Fiscal Officer, Clerk of the Court of Common Pleas, Medical Examiner, County Engineer, Prosecuting Attorney, Sheriff, County Council and County Executive.
(Amended 11-6-01.)
- 12) To submit to the County Council annually a five year financial forecast for the general operating funds of the County.
(Added (12) 11-5-91.)

CODIFIED ORDINANCES OF SUMMIT COUNTY, OHIO
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130.03 AMENDMENT OF LINE ITEM APPROPRIATIONS AND FUND TRANSFERS

(a) The County Executive is hereby authorized to approve and authorize the transfer of funds from one line item appropriation to another line item appropriation by executive order in accord with the following:

- 1) No transfer(s) to or from a line item shall be approved which would cause the total amount of transfers to or from the line item in any one fiscal year to exceed thirty percent (30%) of the total line item appropriation for the fiscal year.
- 2) (Ord. 81-126. Approved 3-17-81; Ord. 2019-466. Adopted 12-9-19.)
- 3) No transfer(s) to or from a line item appropriation for salaries shall be approved which would be in excess of twenty-five thousand dollars (\$25,000) in the aggregate to or from the salary appropriation. The thirty percent (30%) provision in subsection (a)(1) hereof would not apply to the salary line item itself.
- 4) (Ord. 91-533. Approved 8-8-91; Ord. 2019-466. Adopted 12-9-19.)
- 5) No transfer(s) shall be approved which reduces the line item appropriation below an amount sufficient to cover all unliquidated and outstanding contracts or obligations certified from or against the appropriation.
- 6) Every request for transfer shall be accompanied by a statement of the necessity for the transfer and the availability of sufficient funds within the line item appropriation to be reduced to provide for the original purpose of the appropriation.
- 7) A written narrative notification of every transfer approved by the Executive shall be provided to the Clerk of Council.
- 8) The executive order shall be directed to the County Fiscal Officer.

(b) The County Fiscal Officer is hereby authorized and directed to make the transfer of funds from one (1) line item appropriation to another line item appropriation as provided herein upon receipt of and in accordance with the appropriate executive order.
(Ord. 81-126. Approved 3-17-81; Ord. 2019-466. Adopted 12-9-19.)

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183.01 ANNUAL TAX BUDGET

- (a) On or before April 15 of each year, the Executive shall distribute to each department, office, agency, authority, board and commission annual tax budget forms with instructions requesting such information that the Executive finds necessary to prepare the annual tax budget.
- (b) The annual tax budget forms prescribed by the Executive shall request at least that information required for such forms by the State Bureau of Supervision and Inspection of Public Offices and Ohio R.C. 5705.29.
- (c) On or before June 1 of each year, each department, office, agency, authority, board and commission shall file with the Executive, in such form prescribed for that purpose, a complete and accurate estimate of all contemplated revenue and expenditures for the following fiscal year.
- (d) The Executive shall include in the annual tax budget the full amounts requested by district authorities which by general law may fix the amount of revenue they are to receive from the County, but in no event shall such requests be in excess of the amount authorized by general law.
- (e) On or before July 1 of each year the Executive shall submit the proposed annual tax budget to Council for adoption and file at least two (2) copies with the Fiscal Officer for purpose of public inspection.
- (f) The Fiscal Officer shall maintain copies of the proposed annual tax budget in such a manner as to facilitate public inspection as provided by general law.
- (f) On or before July 15 of each year Council shall adopt a tax budget for the following fiscal year, and the Clerk of Council shall submit such tax budget to the Executive and Fiscal Officer within five (5) days after adoption.
- (g) Prior to adoption of the annual tax budget Council shall hold at least one (1) public hearing. Notice of such public hearing shall be given in a newspaper of general circulation within the County at least ten (10) days prior to the date of hearing.

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- (h) The Fiscal Officer shall maintain at least two (2) copies of the tax budget adopted by Council in such a manner as to facilitate public inspection as provided by general law.
(Ord. 87-692. Approved 11-18-87.)

183.02 SUMMIT COUNTY BUDGET COMMISSION

- (a) There is hereby created the Summit County Budget Commission consisting of the County Executive, County Fiscal Officer, County Prosecuting Attorney, and such other members as shall be elected in the manner provided by general law. The Budget Commission shall assume all powers and duties as are vested in or imposed upon county budget commissions by general law, and shall perform such other duties as may be provided by ordinance or resolution of Council.
- (b) The Budget Commission shall meet at the office of the Fiscal Officer on the first Monday in February and first Monday in August, annually. All proceedings shall be open to the public and comply with notice and open meeting requirements as provided by general law.
- (c) The Budget Commission shall complete its work on or before September 1 of each year, unless for good cause the State Tax Commissioner extends the time for completing the work.
- (d) In the event the State Tax Commissioner extends the time to complete work or any request is filed by the Budget Commission for an extension of time to complete work, the Budget Commission shall notify the Executive and Council on or before such extension is granted or such request made.
- (e) A majority of the members of the Budget Commission shall constitute a quorum, provided that no action of the Budget Commission shall be valid unless approved by a majority of its members.
- (f) Members of the Budget Commission shall be reimbursed as provided by general law.
- (g) The Fiscal Officer shall serve as Secretary of the Budget Commission and shall keep a full and accurate record of all proceedings open for public inspection.

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- (h) The Budget Commission shall determine its own rules and order of business. All rules and all agendas, minutes of proceedings, rulings, decisions, policies or other authoritative matters of a continuing nature shall be in written form, immediately forwarded to the Executive and Council and kept as other public records, available to the public as provided by general law.
- (i) The Budget Commission shall provide to the Executive and Council the County's official certificate of estimated resources together with such certification as required by general law on or before September 1 of each year for those funds to be available the following fiscal year.
- (j) Revisions of the estimated revenues due the County for the following fiscal year shall be made by the Budget Commission, and a revised official certificate of estimated resources shall be issued to the Executive and Council by the Budget Commission on or before November 1 of each year, which shall also include all revenues collected from a new source not included in the official certificate and, upon certification of the Fiscal Officer that excess balances and receipts to date exceed the certified estimate, such excess funds received.
- (k) If a tax levy or issue has been placed upon the November ballot, decision of which shall affect the certification of resources to the County, the Budget Commission shall issue its revised official certificate of estimated resources as if such tax levy or issue will fail. If such tax levy or issue does not fail, the Budget Commission shall issue another revised official certificate to the Executive and Council including such additional resources realized from the tax levy or issue within three (3) days of the election.
- (l) On or before January 20 of each year, the Fiscal Officer shall certify to the Executive, Council and Budget Commission unencumbered year-end and carry-over fund balances from the previous year.
- (m) The Budget Commission after receiving the certification of the Fiscal Officer as to year-end and carry-over fund balances from the previous year shall revise its estimate of resources available for expenditure by the County and shall certify to the Executive and Council an amended official certificate of estimated resources by January 31 of each year.
(Ord. 87-692. Adopted 11-18-87; Ord. 2012-291. Adopted 7-30-12.)

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183.03 ANNUAL OPERATING BUDGET

- (a) On or before November 15 of each year the Executive, if in receipt of the official certificate of estimated resources from the Summit County Budget Commission by September 1 of each year in accordance with Section [183.02\(c\)](#), should submit to Council either a proposed temporary or permanent operating budget for the next fiscal year which shall contain at least the following:
 - 1) A statement of estimated revenues from all sources;
 - 2) A statement of proposed expenditures shown by department, office, agency, authority, board and commission, and by activity, character and object and not exceeding the estimated resources;
 - 3) A schedule of estimated revenues and proposed expenditures for each department, office, agency, authority, board and commission on a quarterly basis; and
 - 4) A summary of the contents of the proposed operating budget.
 - 5) A Report on Staffing for the County of Summit which sets forth for each department, office, agency, authority, board and commission within the County and within each department, office, agency, authority, board and commission each job classification, and within each job classification the anticipated number of full-time, part-time and seasonal employees for the coming year.
(Ord. 2009-111. Adopted 3-30-09.)
- (b) On or before October 15 of each year the Executive shall meet with each department, office, agency, authority, board and commission to discuss their estimated revenues and budgetary needs for the following year.
- (c) Prior to October 15 of each year and before the Executive's meeting with the Court of Common Pleas, Domestic, General, Juvenile, and Probate Divisions, each division of the Common Pleas Court shall submit a written request for an appropriation for the following year setting forth estimated administrative expenses that the judge or administrative judge considers reasonably necessary for the operation of such division as provided by general law.

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- (d) In meetings open to the public with notice being given as provided by general law, Council shall review the budget prepared by the Executive for the following year with the Executive and each affected department, office, agency, authority, board and commission and complete the review by December 15 of each year.
- (e) Prior to the close of the hearing process, a public hearing shall be held by Council with respect to the budget requests of the divisions of the Courts of Common Pleas.
- (f) The Clerk of Council shall notify each division of its hearing at least ten (10) days in advance.
- (g) On or before the last regularly scheduled meeting of each year Council shall adopt a temporary or permanent budget and any appropriation measure for the following year.
- (h) The Council at that time shall adopt a budget for each division of the Common Pleas Court that is determined, after a public hearing and considering the request of the division, to be reasonably necessary to meet all the administrative expenses of such division.
- (i) If a permanent operating budget for the following year has not been proposed or, if proposed, adopted by December 31 of each year, then on or before February 15 of each year the Executive shall submit to Council a proposed permanent operating budget for that fiscal year.
- (j) This proposed permanent operating budget shall contain at least the following:
 - 1) A statement of estimated resources from all sources, including fund balances from the previous year;
 - 2) A statement of proposed expenditures, shown by department, office, agency, authority, board and commission, and by activity, character and object and not exceeding estimated revenues for such year;
 - 3) A schedule of estimated revenues and proposed expenditures for each County department, office, agency, authority, board and commission, on a quarterly basis; and

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- 4) A summary of the contents of the proposed permanent operating budget.
- (k) On or before April 1 of each year, Council shall adopt a permanent operating budget and any appropriation measure for that fiscal year which shall not exceed the latest amended official certificate of estimated resources certified by the Budget Commission, or in the case of an appeal as provided by general law, the State Board of Tax Appeals.
- (l) As part of any annual appropriation measure, or amendment thereto, Council shall adopt a spending plan setting forth a quarterly schedule of expenses and expenditures of all appropriations for the fiscal year from the general fund budget, classified to set forth separately a quarterly schedule of expenses and expenditures for each department, office, agency, authority, board and commission, and within each, the amount appropriated for personal services, including employee salaries and fringe benefits. Each department, office, agency, authority, board and commission shall be limited in its expenses and expenditures of funds appropriated from the general fund during any quarter by the schedule established in the spending plan, which shall serve as a limitation during that quarter on making contracts or giving of orders involving the expenditure of funds during that quarter.
(Ord. 87-692. Approved 11-18-87.)

187.01 DEPARTMENT OF FINANCE AND BUDGET TO ANNUALLY PREPARE FIVE-YEAR PROJECTIONS

The County Executive's Department of Finance and Budget, as a budgetary officer of the County, shall annually prepare five-year projections for the County's General Fund, Federal Revenue Sharing Fund, County Sales and Use Tax Fund, Real Estate Assessment Fund, Debt Service Funds, Department of Job and Family Services Funds, and any other funds that may have an impact on the general operations of the County, in accordance with the guidelines of the American Institution of Certified Public Accountants (A.I.C.P.A.), the first of which shall cover the period 1986 through 1990, inclusive.

(Ord. 2001-254. Adopted 5-21-01.)

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187.02 FILING WITH CLERK OF COUNCIL; DOCUMENTATION

The projections required by Section [187.01](#) shall be filed with the Clerk of Council by July 1 of each year. All officeholders of departments shall, upon request, submit documentation and/or internal projections by May 15, to the Office of Budget and Management to enable filing by July 1.

(Ord. 86-209. Approved 4-25-86.)

187.03 ANNUAL UPDATE

The projections outlined in Section [187.01](#) shall be updated annually, for the subsequent five year period in accordance with A.I.C.P.A. guidelines, by March 31 of each year.

(Ord. 86-209. Approved 4-25-86.)

187.04 REVIEW BY COUNTY FISCAL OFFICER

The projections shall be reviewed by the County Fiscal Officer.

(Ord. 86-209. Approved 4-25-86.)

187.05 PRESENTATION TO COUNTY COUNCIL

The projections and review shall be presented to County Council prior to the first regularly scheduled meeting in June.

(Ord. 86-209. Approved 4-25-86.)

187.06 EFFECTIVE DATE

This process shall become effective no later than January 1, 1987. Council encourages implementation of these evaluations as soon as possible.

(Ord. 86-209. Approved 4-25-86.)

195.01 FURNISHING FINANCIAL INFORMATION TO COUNCIL, EXECUTIVE AND AUDITOR

Each County officeholder described in Article [4.01](#) of the Charter, and the Executive, shall upon request promptly furnish to Council, the Fiscal Officer and the Executive such information, advice and recommendations as may be required

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pertaining to the officeholder's or Executive's current and projected receipts and expenditures, operating and capital improvement requirements, and personnel, supplies and equipment utilization. Such information shall be furnished in such form as the Fiscal Officer, Executive and Council may prescribe and according to such schedules as Council may approve.

(Ord. 82-443. Approved 9-8-82.)

195.02 POLICY ADOPTION; GOALS

- (a) In order to further the economic competitiveness of the County of Summit in both the regional and world economy while preserving the environment and providing equal opportunity to County residents to share in the benefits of the County's economic success, the County hereby establishes a policy on the disbursement of grants from its General Fund. In evaluating requests for a grant from its General Fund, the County shall consider whether the grant, if disbursed, would further one or more of the following strategic goals of the County:
 - 1) Creation of the physical infrastructure necessary for the creation and retention of jobs that provide a living wage.
 - 2) Improvement of the County's adult labor force through education and training.
 - 3) Provision of necessary knowledge and skills to the children and young adults of the County to enable them to be self-supporting.
 - 4) Provision of assistance for capital improvements to historical and cultural institutions that can demonstrate both a major impact on the County's tourism industry and significant private and public support.
- (b) Restrictions on Grants. Grants from the General Fund shall be subject to the following restrictions:
 - 1) General fund resources shall not be used to replace resources from available federal, state or local funding sources.
 - 2) Grants to organizations shall not exceed fifty percent (50%) of the total project or program cost.

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- 3) Priority shall be given to requests for grants for capital improvements. One-time program (operating) demonstration grants shall be given consideration only if they directly address the strategic goals of the County as stated above.
- 4) No grants shall be made for the purpose of ongoing operating costs.
- (c) Financial Reporting on Grants. The County Executive shall establish financial reporting guidelines which all outside agencies, receiving a grant from the General Operating Funds of the County, are required to follow.
(Ord. 2001-336. Adopted 6-11-01.)

195.03 COLLECTION AND DEPOSIT OF PUBLIC MONEYS

All fees, costs, percentages, allowances, proceeds of sale of merchandise or equipment received by law by any County official, judge or employee shall be received and collected for the sole use of the treasury of the County of Summit and shall be held and accounted for and paid over as public moneys to be credited to the General Fund except as provided by Ohio R.C. 325.31 or where applicable the permanent improvement or such other fund as otherwise provided by law.

If the total amount of public moneys received by any employee of the County Council, County Executive, County Fiscal Officer, County Prosecutor, County Sheriff, County Engineer, County Clerk of Courts, Office of Information Technology, Internal Audit Department, or any department or division thereof, does not exceed \$1,000.00 on any given day, the moneys received shall be deposited no later than three business days following the day of receipt, provided, that the office receiving the funds has adopted policies and procedures to safeguard the public moneys until such time as they are deposited. Otherwise, all public moneys received shall be deposited pursuant to the time frames set forth in General Provision 9.38 of the Ohio Revised Code.

(Ord. 84-166. Approved 3-20-84; Ord. 2017-019. Adopted 1-30-17.)

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195.04 POSTPONING DEADLINE FOR PAYMENT OF TAXES FOR RESERVISTS FROM SUMMIT COUNTY CALLED TO ACTIVE DUTY IN CONNECTION WITH ANY DECLARATION OF WAR

Payment of real property taxes and assessments for owner occupancy property are postponed while any Summit County reservists are on active status. All penalty and interest normally assessed against unpaid taxes will be waived during this time frame. Upon return from active duty, all reservists from Summit County will be given the opportunity to participate in a payment plan for the payments of unpaid real estate taxes accrued during their absence. Such payment plan will be based on their financial status and approval of the Fiscal Officer.

(Ord. 2003-194. Adopted 3-31-03.)



COUNTY OF SUMMIT BUDGET POLICY

Leadership has been described as the capacity to translate vision into reality. The County of Summit works along with a myriad of governmental, public and private sector entities to provide benefits to our residents in five general service areas: criminal justice, social services, economic development, environmental and infrastructure capital improvements, and general government including information technology. The County attempts to balance the needs of all the residents with the resources available.

The County Executive has sought to incorporate a long-term view of the direction of the economy to help guide the short-term decision making necessary to prepare the 2022 budget. The 2022 budget incorporates some basic guiding principles which included the preservation of vital services, the fair and equitable treatment of all officeholders and employees and the long-term preservation of employment for all of our current employees. These guiding principles are balanced with and are interdependent on the objective of achieving a budget that is sustainable not just for 2022 but for years to come and the preservation of adequate reserves to ensure the long-term economic health of the county.

The Summit County Executive believes that it is necessary for the County to maintain not less than a 17.3% reserve in general unencumbered funds to preserve the financial strength of the County. Summit County's annual general fund operating budget for 2022 of \$127.1 million marks the first time in 14 years the budget will exceed the level at which it stood prior to the start of the recession in 2008. In 2008 the County had nearly 1,000 more employees than it does today. This level of spending reflects the County's ongoing policy of living within the means provided by its available resources. This spending plan will leave the County with general fund reserves totaling approximately 25.2% of general fund expenditures and is part of a five-year spending plan which seeks to maintain reserves in excess of the 17.3% desired minimum.

Since 2008 the county has incorporated a variety of cost savings measures, revenue enhancements and innovative collaborations. The measures taken by the county over the past few years were necessary to achieve the desired budget reductions.

Accounting & Reporting Policies

The County of Summit recognizes the process of formulating and adopting the financial policies as recommended by the Government Finance Officers Association (GFOA) and the National Advisory Council on State and Local Budgeting (NACSLB). The GFOA recommends that, at a minimum, “financial policies in the following areas be developed by professional staff and formally adopted by the jurisdiction’s governing board as well as the governing boards of those component units...and other bodies under their jurisdiction.”

- Financial Planning Policies
- Revenue Policies
- Expenditure Policies

Summit County operates using a mix of formally adopted policies such as its cash reserve, investment and debt policies and informal policies designed to provide consistency with a level of flexibility in managing the County’s financial planning.

Financial Planning Policies:

Balanced Budget – The County defines a balanced operating budget as a budget for which projected expenditures are equal to projected revenues. When a deviation from a balanced operating budget is planned, it is also presented to County Council in accordance with Section 183.03 of the Codified Ordinances of the County of Summit.

Long-Range Planning – According to Section 2.03 of the Codified Ordinances of the County of Summit, the County Executive is required “To submit a written message to the County Council accompanying the proposed operating budget and capital improvements program explaining the budget both in fiscal terms and in terms of work to be done, outlining the proposed financial policies of the County for the current fiscal year and describing the important features of the budget. The message shall include any proposals for major changes in financial policies and in expenditures, appropriations and revenues as compared with the preceding fiscal year and the reasons for such proposals, and an itemization and explanation of each proposed capital improvement.” The Executive accomplishes this in the budget letter, along with a Budget Policy statement and a Budget Highlights message. Summit County maintains five year forecasts for all of its major funds and uses these forecasts in conjunction with its capital investment plan as a long range planning tool

Accounting & Reporting Policies

Asset Inventory – The County, through Council Resolution, sets the guidelines to inventory and assess the condition of all major capital assets. The current standards are that an asset must have a cost of \$15,000 or more and a useful life in excess of five years.

Revenue Policies:

Revenue Diversification – Summit County has gone to great lengths since 2008 to diversify its revenue portfolio to the extent legally and practically possible. Summit County, like most counties in Ohio still remains reliant on sales and property taxes for a significant portion of its local revenue.

Fees and Charges - Chapter 113 of the Codified Ordinances of the County of Summit addresses the criteria for the various types of County fees and charges.

Use of One-time Revenues – One-time revenues are used to support non-recurring operational and capital expenditures. One-time revenues are not used to support ongoing operational costs or to avoid budget reductions.

Use of Unpredictable Revenues – The County monitors revenues on a monthly basis and adjusts forecasts and budgets as necessary to manage unpredictable revenues.

Expenditure Policies:

Debt Capacity, Issuance and Management – See Debt Policy.

Reserve or Stabilization Accounts – For budgeting purposes, it is the goal of the County to maintain a carryover unencumbered fund balance in the General Fund and Budget Stabilization Fund of at least 17.3% of the budgeted operating expenditures for the year. The County targets balances for all of its major funds to maintain a 90 day reserve.

Operating/Capital Expenditure Accountability – The Department of Finance and Budget monitors actual revenues and expenditures and performs comparisons to the budget on a monthly basis. Results are presented to the County Executive and County Council on a monthly basis along with appropriation adjustments as necessary.

Accounting & Reporting Policies

Accounting Basis:

Basis of Budget - The County budgets on a cash basis. Encumbrances outstanding at year-end are carried over in the following year as an addition to the budget or are discharged. Encumbrances that are discharged return to the fund balance and may be re-appropriated during the current year or subsequent years.

Basis of Financial Reporting - Government-wide financial statements, proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues – On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales and use taxes, investment income, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

Deferred Revenue- Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

The Fiscal Office-Audit Division prepares a Comprehensive Annual Financial Report each year by taking the actual revenue and expenditures recorded on the County's accounting system during the year and making adjustments as required to present the County's audited financial reports in accordance with established rules and practices. Examples of adjustments are accruing revenue receivables and expenditures payables as of year end. These adjustments are not recognized on the accounting system of the County until revenue is actually received or expenditures are actually paid.

Accounting & Reporting Policies

Fund Structure:

The County accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equity or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The County Operating Budget includes the following fund types:

All of the funds of the County can be divided into three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

Governmental Funds- those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. The following are the County's major governmental funds:

- **GENERAL FUND:** This fund accounts for the general operating revenues and expenditures of the County not specifically required to be recorded elsewhere. The primary revenue sources are property taxes, sales and use tax, charges for services, intergovernmental revenues and interest income.
- **SPECIAL REVENUE FUNDS:** These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds include the Job and Family Services, Children Services, Alcohol, Drug Addiction & Mental Health Services and Board of Developmental Disabilities, which are the major funds of the County, and all federal and state grant funds, not accounted for in the enterprise funds.
- **DEBT SERVICE FUND:** This fund is used to account for revenues received and used to pay principal and interest on general obligation debt. Revenues are derived primarily from property taxes.
- **CAPITAL PROJECT FUNDS:** These funds are used to account for the acquisition or construction of capital assets. Revenues and financing resources are derived primarily from the issuance of bonds and notes or receipts from the General Fund and Special Revenue Funds.

Accounting & Reporting Policies

Proprietary Funds- Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

- **ENTERPRISE FUNDS:** These funds are used to account for operations that provide services which are financed primarily by user charges. The Sewer Revenue fund is reported as major funds of the County.
- **INTERNAL SERVICE FUNDS:** These funds are used to account for the financing on a cost-reimbursement basis of goods or services provided by one department or agency to other departments or agencies. Charges to the user departments are intended to recover total cost. The internal service funds include: Office Services, Telephone, Workers Compensation, Insurance & Risk Management, Geographic Information Systems, Internal Audit and Information Technology.

Fiduciary Funds- Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The County only maintains agency funds.

- **AGENCY FUNDS:** These funds include property and other taxes and intergovernmental resources which have been collected and will be distributed to other taxing districts located within the County. Agency funds are purely custodial in nature. The County includes the following agency funds in the budget document: Soil & Water.

Each section of the budget is categorized by officeholder or major agency. In addition to any respective departments under the General Fund, each budget section may also contain other fund types. These additional funds are listed as follows:

EXECUTIVE

Special Revenue Funds- CDBG, Home Program, Land Reutilization Administration, Medical Examiner Lab Fees, Animal Control, Hazardous Materials, Issue 2 Administration, Enterprise Zone, Emergency Management

Capital Projects- Administration

Agency Funds- Soil & Water

Accounting & Reporting Policies

FISCAL OFFICE	<u>Special Revenue Funds</u> - Delinquent Tax, Tax Lien Administration, Delinquent Real Estate Tax & Assessment (DRETAC), Real Estate Assessment
SHERIFF	<u>Special Revenue Funds</u> - DUI Enforcement, DARE, Drug Unit, Juvenile Diversion, Juvenile Diversion North, Law Enforcement Liaison, Concealed Weapon Admin, 911 Wireless, Continuing Professional Training.
PROSECUTOR	<u>Special Revenue Funds</u> - Child Support Enforcement, DRETAC.
CLERK OF COURTS	<u>Special Revenue Funds</u> - Computerization
COURTS	<u>Special Revenue Funds</u> - Probation Services, Probate Court Computerization, Common Pleas Special Projects, Domestic Relations Court Legal Research, Domestic Relations Court Special Projects
JOB & FAMILY SERVICES	<u>Special Revenue Funds</u> - All programs
SANITARY SEWER SERVICES	<u>Enterprise Funds</u> - Sewer
ENGINEER	<u>Special Revenue Funds</u> - Motor Vehicle & Gas Tax, Drainage Maintenance
DEVELOPMENT GRANTS	<u>Special Revenue Funds</u> - All programs

Debt Policy (Uncodified)

Reliance on current revenue vs. debt to finance capital improvements

The County plans to use current revenues to pay for short-term capital projects, repair and maintenance items and plans to reserve long-term debt for capital improvements with useful lives of ten years or more.

Annual preparation of Capital Improvement Plan

The County will produce a five-year capital improvement plan (CIP) and update the plan annually. The plan will remain flexible to permit changes in project priorities. Debt will be issued in accordance with the CIP as necessary.

Parameters for annual note issues

Annual note issues will be used to finance on-going capital needs of the County that exceed current revenue sources. In addition, annual notes will be limited to items with useful lives shorter than 10 (ten) years. Notes may be used for projects during the construction period with the intention of taking the notes to bonds upon completion, when actual costs are finalized. As necessary, the County will renew the notes at maturity. The County's goal is to annually pay down the maximum amount allowable with the budget, but not less than 10% of the outstanding note balance.

Debt not to exceed useful life of assets

The County will not issue debt for any capital improvement for a term that exceeds the useful life of the improvement.

Bond structuring considerations

Bond amortization schedules will be structured to minimize interest expense within the constraints of revenue available for debt service. The structure may include features such as serial and term bonds, original issue discounts, premiums and mandatory sinking funds in any configuration that enhances the marketability of the bonds in order to minimize the total cost of financing. The bonds should include call features to maximize the County's ability to advance refund and retire the debt early. However, the call features should be balanced with market conditions to ensure that the total cost of financing is not adversely affected.

Credit enhancement consideration

For each debt issue, the County will analyze the potential economic benefit of utilizing credit enhancement (bond insurance, bank letters of credit, etc.) and will pursue such enhancement provided cost savings are obtainable. Further, the County will only pursue credit enhancement from companies that maintain the highest possible rating by nationally recognized rating agencies for their products.

Debt Policy (Uncodified)

